

DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY
WASHINGTON 25, D.C.



OSA-4546-63
#1156

REPLY TO:
Auditor General Representative (APL)
P.O. Box 8155
S. W. Station
Washington, D.C.

28 August 1963

Joe

SUBJECT : Report of Final Audit CPFF Task Orders
Eastman Kodak Company
Rochester, New York
Contract No. EG-400, Tasks 1,4,5 and 7

TO : Contracting Officer

REFERENCE : OSA-4242-63, dated 8 August 1963

1. In accordance with referenced request, final audits have been performed of the following tasks under Contract No. EG-400:

- a. Task No. 1 provided for design, fabrication and delivery of certain new items of equipment in connection with Projects I, C, A and O, with estimated costs of \$121,620 and fixed fee of \$6,702, during the period from 23 August 1960 through 31 May 1961.
- b. Task No. 4 covered the design, fabrication and delivery of a re-spooling machine, and RT-12 processor, cores, flanges and tie bolts for the Project O, with estimated costs of \$91,000 and fixed fee of \$5,636, during the period from 1 August 1961 through 28 February 1963.
- c. Task No. 5 covered the design, fabrication and delivery of 3 in 1 continuous Printers and 3 Slitters for Project C, with estimated costs of \$194,505 and fixed fee of \$13,615, during the period from 1 June 1962 through 1 March 1963.
- d. Task No. 7 covered the design, fabrication and delivery of 25 LB-2 Glass and 25 Fused Silica for Type III Hatches for Project O, with estimated costs of \$26,070 and Fee of \$1,825, during the period from 17 November 1961 through 30 November 1963.

USAF review completed.

2. Allowable costs were determined in accordance with Part 2, Section XV of the Armed Services Procurement Regulations and pertinent terms of the task orders. A summary of costs claimed by the contractor and approved by the auditor, as detailed in Exhibit A, follows:

<u>Task No.</u>	<u>Total Approved Costs</u>	<u>Fixed Fee</u>	<u>Total Price</u>
1	\$121,620.00*	\$ 6,702.00	\$128,322.00
4	89,006.09	5,636.00	94,642.09
5	175,503.51 175,444.51	13,615.00	189,118.51 189,111.51
7	25,954.00	1,825.00	27,779.00

*Exclusive of cost overrun of \$350.21 not claimed by contractor.

3. The contractor has not yet submitted final inventories of residue materials, if any, on hand at the completion of these task orders. The contractor advised the auditor that such inventories together with other reports and statements required under the terms of the task orders will be submitted to the Contracting Officer shortly.

4. The unexpended balances to be closed out under these task orders are as follows:

<u>Task No.</u>	<u>Allotted Funds</u>	<u>Final Price</u>	<u>Unexpended Balance</u>
1	\$128,322.00	\$128,322.00	0
4	96,636.00	94,642.09	1,993.91
5	208,120.00	189,118.51 189,111.51	19,001.49 19,008.49
7	27,895.00	27,779.00	116.00

5. A reconciliation between the disbursements made to date by Finance/OSA and the final prices of the task orders is as follows:

<u>Task No.</u>	<u>Disbursements By Finance/OSA</u>		<u>Total Price</u>
	<u>Paid to Date</u>	<u>Remaining to be Paid</u>	
1	\$127,029.13	\$ 1,292.87	\$128,322.00
4	93,984.69	657.40	94,642.09
5	182,919.26	6,199.25 6,192.25*	189,118.51 189,111.51*
7	27,621.00	158.00	27,779.00

The amounts remaining to be paid represent a combination of holdbacks for patent reports and final billings to be submitted by the Contractor.

W. F. Edwards

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Auditor General Representative (APL)

* Corrected to reflect \$7.00 credit
issued by contractor on Inv. # 149. 10/4/6
W. F. Edwards

APPROVED BY
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Exhibit A

	Task No. 1	Task No. 4	Task No. 5	Task No. 7
Direct Labor	3,877.00	3,877.00	251.00	3,719.00
Overhead	6,612.75	10,482.75	477.367	8,564.00
Material	17,412.00	67,551.00	61,479.00	11,440.00
Material from hand		540	12,268.30	1842.00
G.A.E.			933723 *	1389.00
Sub costs	12197	69,005.29	175530.51 *	25,954.00
Less overruns not allowed	31221		175496.51 *	
Total exp. 1963	12,162.00	89,006.09	173496.51 *	25,954.00
Fixed fee	67,000.00	57,360.00	136,500.00	18,250.00
unallocated	12,937.00	3,000.00	480.00	2,177.90
			189,111.51 *	

Note: The deposits include 1963 overhead of \$1,524 for Task 5. High contract, representing application of approved billing rates. Total settlement of these items on basis is considered reasonable based on the exp. up to date overhead figures in 1963 and previous small amount of income.

* Corrected to give offset to \$7.00 credit issued by Contractor on Jan #149 dated 10/1/63.